

GOVERNOR BARBOUR APPLAUDS REDUCTION IN MEDICAL LIABILITY INSURANCE RATES

Hard-fought tort reform serves to end lawsuit abuse, Governor says

JACKSON, Mississippi -- Governor Haley Barbour said today the third reduction in medical liability insurance rates by the largest insurer of doctors in Mississippi is concrete evidence that tort reform is working.

Governor Barbour applauded an announcement by Ridgeland-based Medical Assurance Company of Mississippi (MACM) that it will reduce its medical liability insurance rates across the board by 10 percent for 2007. In September 2005, the MACM board of directors reduced renewal rates for 2006 by 5 percent, and in December 2005 granted a retroactive refund of up to 15 percent on 2005 premiums.

"This across the board reduction in medical liability rates by the largest insurer of doctors in Mississippi is a significant and welcome decision that will have an immediate positive impact," Governor Barbour said. "It is another concrete example of how tort reform is working to protect the quality and availability of health care by ending lawsuit abuse and leading to reduced medical liability rates in Mississippi. This is great news."

Governor Barbour said a principal reason for the reduction in medical liability insurance rates is the comprehensive Tort Reform Act of 2004, which was passed in a Special Session of the Legislature he called to consider his proposal.

Governor Barbour fought aggressively for the passage of the tort reform legislation to effectively end lawsuit abuse in Mississippi, improve access to health care for all Mississippi citizens, and provide a fair legal climate that is important to job creation.

"There is no disputing the fact that frivolous lawsuits increased the cost of health care and caused doctors to leave the state and hospitals to lose insurance," Governor Barbour said. "Obstetric wards were closing and neurosurgeons had stopped performing emergency surgery."

Mississippi had been saddled with a ranking as the worst state in the nation for lawsuit abuse, according to the U.S. Chamber of Commerce, and unacceptably high liability insurance rates were forcing doctors to close their practices. Every small business seemed one lawsuit away from bankruptcy, the Governor said.

Since enacting what the Wall Street Journal called the most comprehensive tort reform law in the nation, Mississippi has made great strides in ending lawsuit abuse, and the benefits are proving enormous: Medical liability rates, general liability rates, and automobile liability insurance rates have fallen; more than 50 new insurance programs have launched in Mississippi; more affordable insurance programs have translated into more jobs as unnecessary costs for small businesses have been reduced; and medical liability cases against Mississippi doctors have dropped by nearly 90%.

